



Press release
February 8, 2017

FOOD UNION GROUP RECEIVES USD 225 MLN INVESTMENT FROM PAG AND MERIDIAN CAPITAL

Food Union Group, an international group of dairy and ice cream producing companies with a leading market share in Northern Europe, has received a combined USD 225 million investment from PAG, one of Asia's largest private equity firms, and Meridian Capital, an existing investor.

Food Union's businesses include milk processing as well as ice cream manufacturing in Northern Europe. PAG and Meridian Capital's investment will support the expansion of Food Union with a specific focus in China, where Food Union is near completion on two modern dairy plants. In addition to capital, PAG will provide Food Union with deep country-specific knowledge and significant operational experience in support of the management team. PAG will invest USD 170 million and Meridian Capital will invest a further USD 55 million into Food Union.

*"Food Union has had a tremendous year in 2016. In Europe, we have solidified our position in our home markets and have acquired two ice cream producers in Norway and Romania. In China, we broke ground on two modern dairy plants which are expected to bring high-end dairy products to Chinese consumers by the beginning of 2018. PAG's investment and Meridian's follow-on investment are an endorsement of Food Union's strategy and we look forward to working with PAG to build a strong business of dairy products in China," said **Andrey Beskhmelitsky, Global CEO and Founder of Food Union Group.***

*"We are delighted to have the opportunity to partner with Food Union and Meridian Capital to help build a business to bring the best dairy products to China. There is a great demand among increasingly affluent and discerning Chinese consumers for high quality protein foods such as those Food Union produces. With its technology, knowhow and capabilities, Food Union is uniquely positioned to deliver what the Chinese market needs," said **Weijian Shan, Chairman and CEO of PAG.***

*"Entry into China, which has one of the largest and fastest growing consumer markets in the world, is a significant step for Food Union," said **Askar Alshinbayev, Managing Partner of Meridian Capital.** "We are confident that working alongside PAG, we can deliver on our strategy to manufacture European quality dairy products which demanding Chinese consumers can enjoy and trust."*

About Food Union Group

Food Union Group is an international group of dairy and ice cream producing companies operating in nine countries. *Food Union Group* unites major dairy and ice cream companies and sales offices in Northern and Central Eastern Europe: “Rīgas piena kombināts”, “Valmieras piens”, and “Rīgas Piensaimnieks” in Latvia, “Premia” in Estonia and Lithuania, “Premier Is” in Denmark, “Isbjorn Is” in Norway, “Alpin57Lux” in Romania, “Hladokombinat No.1” in Russia, “Ingman Ice Cream” in Belarus, and two dairy production facilities currently under construction in China. Currently *Food Union Group* is the leading milk processing company in Latvia and the largest ice cream manufacturer in the Baltics and Denmark. *Food Union Group* exports to 25+ countries all over the world, with the main markets being Latvia, Lithuania, Estonia, Poland, the Netherlands, Great Britain, Azerbaijan, Russia and China. *Food Union Group* currently employs more than 2,500 people.

About PAG

PAG is one of Asia’s largest alternative investment firms with capital under management in excess of USD 16 billion. The firm manages a diverse array of funds in private equity, real estate and absolute return strategies and employs more than 380 staff in nine offices across the region. Since its founding in 2002, *PAG* has invested over USD 30 billion in Asian markets. Its investors include major pension funds in North America and Europe as well as sovereign wealth funds in Asia and the Middle East.

About Meridian Capital

Meridian Capital is an international private equity investment group that invests in food and beverage, transportation, real estate and natural resources sectors. *Meridian Capital* first made an investment into *Food Union* in 2013. Before then, alongside with *Food Union*’s founding shareholder, *Meridian Capital* funded the acquisition and expansion of *Unimilk*, turning it into a leading dairy manufacturer in Russia which was eventually sold to a global dairy major.

More information:

Cindy Shi
Food Union China Marketing Director
cindy.shi@foodunion.com.cn
T: +86 13501953584

Tim Morrison
PAG Head of Communications
tmorrison@pagasia.com
T: +852 3719 3375

Faye Yuen
PAG Communications
fyuen@pagasia.com
T: +852 3719 3342